

Psychological Determinants of Project Success: A Synthesis of Organizational Theory and Contemporary Management Practice

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ABSTRACT

In a situation where the classical indicators of project management embodied by the iron triangle (schedule, budget, scope) reveal methodological limitations, the present study turns to the toolkit of organizational psychology to elucidate deeper determinants of success. The aim of the work is to propose and substantiate an integrative model demonstrating that psychological parameters (leadership, team dynamics, motivation) serve as key predictors of the performance of contemporary projects. The methodological base includes a systematic review of scholarly publications from Scopus and Web of Science, supplemented by content analysis of strategic reports from leading industry institutes (PMI, Gartner). The findings indicate that a relational leadership style acts as a launch mechanism for the formation of psychological safety and intragroup cohesion; these factors are directly associated with increases in both objective and subjective metrics of project success, including perceived value for stakeholders. The conclusions confirm the hypothesis that the introduction of psychosocial approaches into project management practice is not merely desirable but also economically driven by the tasks of enhancing competitiveness and organizational adaptability. The material is addressed to project management office leaders, senior project managers, and researchers in management and organizational psychology.

Keywords: project management, organizational psychology, project success, relational leadership, team cohesion, psychological safety, motivation, change management, human factor, project effectiveness.

Introduction

The modern economy demonstrates an exponential increase in both the complexity and the scale of initiatives, and it is projects that have become the primary vehicle for strategic change within organizations. Nevertheless, despite the evolution of management approaches and tools, the empirical picture remains unfavorable. According to authoritative sources, including the Standish Group CHAOS report, year after year there is stagnation in key metrics: only about 31% of IT projects are completed fully successfully, approximately 50% exceed schedule and budget

constraints, and 19% are terminated before completion [1]. The problem is further aggravated by the phenomenon of uncontrolled scope expansion: according to the Project Management Institute (PMI), it appears as a cause of failure in 58% of cases, indicating systemic breakdowns in planning, communication, and the management of stakeholder expectations [2].

The sum of these observations signals the need for a fundamental paradigm shift in project management. The classical interpretation of success, rigidly tied to the iron

triangle — schedule, budget, and scope — is increasingly losing its explanatory power under conditions of high market turbulence and rapidly changing client requirements. In response to this challenge, PMI, in its 2024 strategic reports, proposes to redefine the very objective: to shift the focus from project management success to project success as such, defining it through the creation of value that justifies the efforts and resources expended. The key element becomes perceived value — a category that is inevitably subjective and psychologically determined, dependent on the satisfaction and engagement of key stakeholders. Within this logic, the so-called power skills — communication, leadership, emotional intelligence — come to the forefront, which, according to PMI data, directly correlate with the level of project management maturity and organizational adaptability [4].

Despite the growing recognition of the importance of the human factor, a substantial research gap persists in both academic and applied agendas [6]. It is manifested in the weak alignment of contemporary social-psychological theories with project management methodology. Most studies either remain confined within process paradigms (Agile, Waterfall) or consider psychological variables in isolation, without offering integrative explanatory frameworks that elucidate the mechanisms through which specific psychological constructs (for example, leadership style or team cohesion) affect measurable project outcomes [8]. Hence arises an urgent need to develop a theoretical framework that integrates advances in organizational psychology with the practical challenges of contemporary project management.

The purpose of the study is to create and substantiate an integrative model demonstrating how psychological factors (leadership, team dynamics, motivation) function as key determinants of success in modern projects.

The scientific novelty lies in combining relational leadership theory, the concept of psychological safety, and self-determination theory into a single conceptual framework suitable both for analysis and for enhancing the effectiveness of project management.

The author's hypothesis asserts that a relationship-oriented leadership style (relational leadership) initiates the formation of psychological safety and team cohesion, which, in turn, directly strengthens both objective indicators of success (adherence to budget and schedule) and subjective ones (perceived project value).

Materials and Methods

To achieve the stated objective and to conduct an empirical test of the proposed hypothesis, the study implements an integrated methodological design that combines theoretical-methodological synthesis with analysis of current industry data. This combined approach simultaneously refines the conceptual foundations of the research and aligns them with observed project management practices.

The methodological architecture comprises two complementary components. First, a systematic review of the scholarly literature was conducted to identify and consolidate key theoretical frameworks from organizational psychology, leadership, and project management; this establishes a supporting conceptual base, clarifies central categories, and elucidates interconceptual linkages. Second, a content analysis of industry reports from leading international analytic and professional institutions, including Gartner and the Project Management Institute (PMI), was performed, which enables verification of the theoretical propositions against real-world business practice and makes it possible to record current trends, challenges, and empirical regularities of the global project management industry. The combination of these procedures ensures methodological triangulation and, as a consequence, increases both the validity and the applied relevance of the findings.

The theoretical scaffold of the analytical model is assembled from frameworks that demonstrate direct applicability to the dynamic and socially dense environment of project activity. Relational leadership theory conceptualizes leadership as a jointly constructed process arising through participant interaction; its central mechanisms are relationship quality, trust, mutual respect, and open communication, which are especially salient for temporary project structures where effective cross-functional linkages must be established rapidly. Self-determination theory (SDT) considers motivation through the lens of satisfying three basic psychological needs—autonomy, competence, and relatedness; it thus provides an instrument for designing conditions that strengthen team members' intrinsic motivation and are critically important for creative and innovative tasks. Finally, Kurt Lewin's three-stage model of change (unfreezing—change—refreezing) retains its status as one of the most influential schemes for managing transformations accompanying large-scale projects (implementation of IT systems, process reengineering,

establishment of a PMO), as it allows the diagnosis of psychological barriers and the planning of strategies to overcome them.

Results and Discussion

The presented analysis of prior studies integrates theoretical propositions with empirical illustrations, including the employed cases, demonstrating how psychological determinants relate to project performance.

The methodological basis of the author's interpretation is an integrative model (Fig. 1) that

explicitates the core hypothesis. In accordance with it, Relational Leadership is considered as an independent variable exerting a direct positive effect on two key mediators — Psychological Safety and Team Cohesion. These mediating factors, in turn, serve as direct predictors of the dependent variable — Project Success. The latter is conceptualized as a composite construct that combines classical objective indicators (adherence to budget, schedule, and quality requirements) with contemporary subjective metrics (perceived value and stakeholder satisfaction), which is consistent with the updated PMI paradigm [3]. The described model sets the course for subsequent analysis and constitutes the conceptual core of the study's scientific novelty.

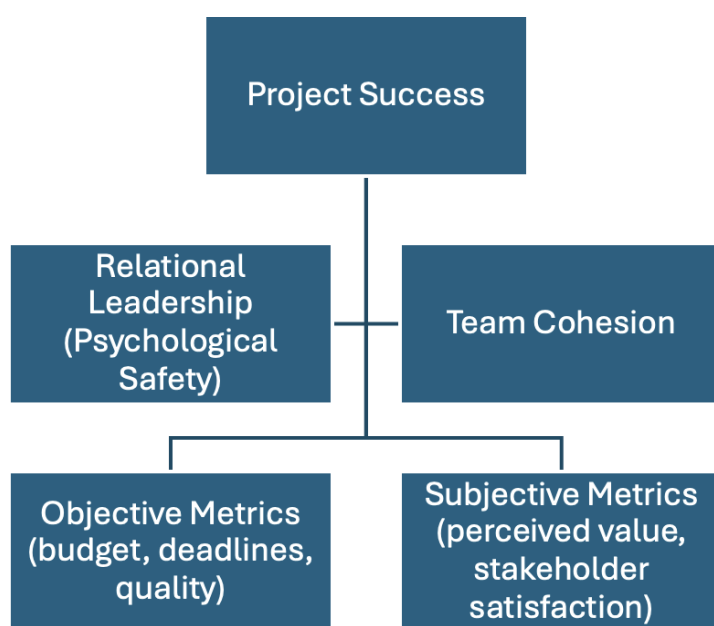


Fig.1. An integrative model of psychosocial drivers of project effectiveness (compiled by the author based on [3]).

According to the theory of relational leadership, leadership is understood not as an aggregate of personality traits but as a process emerging in interpersonal interactions [11]. A leader operating within this paradigm purposefully builds and maintains high-quality social ties grounded in trust, reciprocity, and open communication. Empirical evidence indicates that this style directly contributes to the formation among team members of cooperative strategies for resolving

disagreements and reduces destructive problem avoidance, which ultimately strengthens the coordination of actions and the effectiveness of the group [9]. In contrast to transactional leadership, based on mechanisms of rewards and sanctions, and transformational leadership, which emphasizes an inspiring vision, the relational approach creates the very social fabric within which genuinely effective joint activity becomes possible (see Table 1).

Table 1. Comparative analysis of leadership styles and their influence on key project indicators (compiled by the

Characteristic	Transactional leadership	Transformational leadership	Relational leadership
Primary focus	Tasks, rewards	Vision, inspiration	Relationships, trust
Mechanism of influence	Contingent reinforcement	Intellectual stimulation	Social exchange, reciprocity
Impact on the team	Compliance, predictability	Engagement, motivation	Cohesion, psychological safety
Example in a project	Monitoring KPI attainment	Launch of an innovation project (AR application)	PMO implementation, conflict mediation

The practical value of this approach is aptly demonstrated by the case of Lone Wolf Technologies. Establishing a Project Management Office (PMO) and systematizing cross-functional interaction is not a matter of routine administration. It concerns overcoming departmental siloing, reconciling divergent interests, and developing unified operational norms. A leader acting within the logic of relational management assumes the role of facilitator and mediator: he or she builds trustful ties among heads of functions and key executors, ensuring that the PMO is perceived not as a supervisory authority but as a center of expertise and support. The result is not only a correct financial calculation but also organizational cohesion: it is precisely a high level of coordination and trust that makes it possible to pursue an initiative to reduce annual costs. Such transformations are feasible only when employees are prepared to cooperate and are not concerned that optimization will entail adverse consequences for them, which is directly determined by the quality of their relationships with management.

In this sense, relational leadership appears not merely as a management style but as a strategic mechanism of risk management. By creating an atmosphere of trust and transparency, such a leader ensures early diagnosis of problems (including minimizing the risk of lack of user engagement, one of the key factors in project failure according to the Standish Group), reduces the likelihood of interpersonal conflicts, and accumulates social capital necessary for navigating unforeseen organizational trials [21]. In a turbulent project environment, this social capital serves as the principal resource for the team’s resilience and adaptive capacity.

Psychological safety is a belief shared by all team members that interpersonal risks are permissible and do not entail sanctions. It refers to a work climate in which employees can, without fear, propose ideas, ask clarifying questions, acknowledge missteps, and openly challenge established practices. Team cohesion, in turn, is understood as the strength of mutual attraction among participants and their orientation toward achieving common goals [10]. These two constructs are tightly functionally linked and, according to a substantial empirical corpus, constitute the foundation of effective collaborative activity [22]. Stable trust relationships and aligned communication patterns act as a key mechanism for successful project implementation [19, 22].

Illustrative is the case of creating textbooks and AR applications. Managing a project that included producing more than 50 textbooks with the participation of over 80 authors and editors, alongside the parallel development of 11 augmented reality solutions, required exceptional coordination. The outcomes achieved—approval of two textbooks for general use in schools in Kazakhstan and the victory of the NIS AR application at the prestigious EdCrunch Award conference—were to a significant extent conditioned by high cohesion and the presence of a psychologically safe environment. Under such conditions, author–editor groups could exchange critical remarks without fear of negative reactions; developers had room to experiment with risky AR technological solutions; the project manager was able to conduct complex negotiations over copyrights for more than 250 illustrations and 36 video materials, relying on coordinated interaction between the legal and content units. As shown in Fig. 2, a higher level of psychological

safety is directly associated with increased innovation activity and with the team's readiness to signal problems

promptly and openly, which is critical for preventing the escalation of project risks.

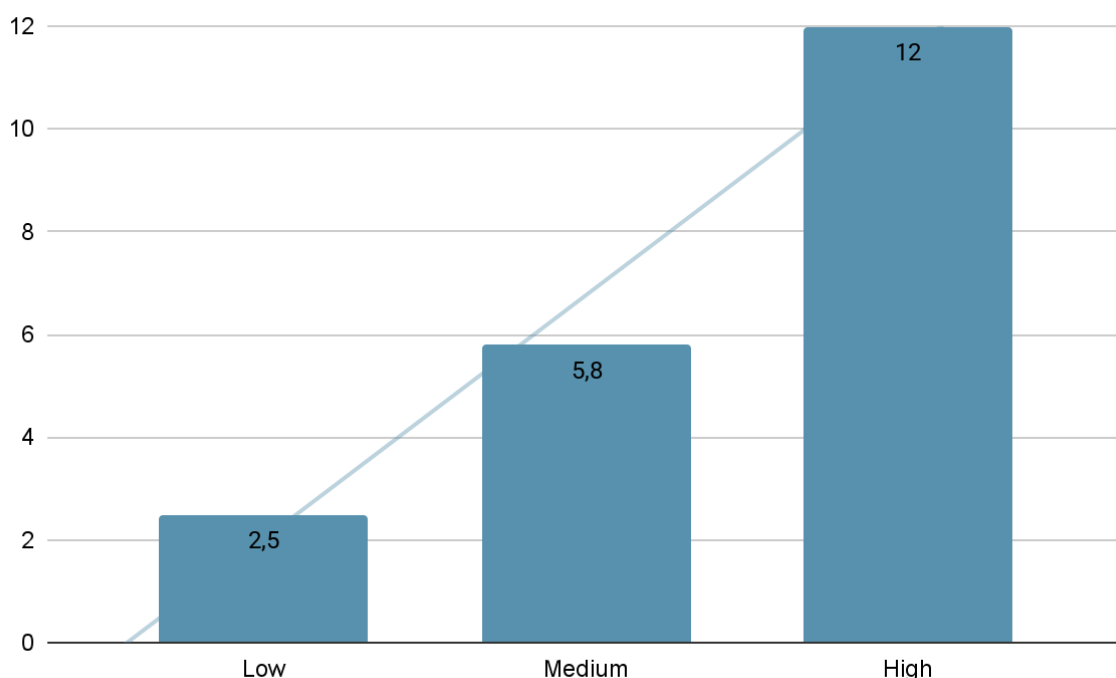


Fig. 2. The relationship between psychological security and innovation activity in projects (compiled by the author on the basis of [22]).

Any significant project is, by its nature, a purposeful intervention into the established order. Its effectiveness depends not only on the correctness of technical solutions but also on employees' behavioral responses. Kurt Lewin's three-phase model of change provides a rigorous analytical lens for such analysis [17]. In the case of deploying a PMO at Lone Wolf Technologies, the entire process can appropriately be interpreted as three consecutive stages.

Unfreezing: forming motivation for transformation. Management had to unambiguously indicate current deficits: inefficient procedures, lack of standardization. Such a diagnostic emphasis constructs a sense of the inevitability of change.

Changing: transitioning to the target state. Substantively, the phase included selecting an HR platform vendor, deploying it for 750 employees, and developing and approving new regulations and reporting contours. This is the most vulnerable stage, with a high likelihood of resistance from personnel who perceive innovations as a threat. Determinants of success here include the quality of communications, training

interventions, and unwavering leadership support.

Refreezing: stabilizing and institutionalizing the changes achieved. PMO processes, reporting mechanisms, and role distribution must be embedded in organizational routine and rooted in corporate culture as the new norm.

In parallel with managing external transformations, the internal motivation of the team remains critical. Creating innovative products—for example, 11 AR applications—requires not mechanistic execution but creative initiative and high engagement. Self-determination theory (SDT) sets the parameters of a favorable motivational environment [12]. The likely success of the textbook development project is explained by satisfying the team's three basic needs:

- **Autonomy:** developers and authors were granted genuine freedom in choosing solutions and methods of implementing the concept.
- **Competence:** working at a technologically complex frontier and achieving a verifiable result (victory in a competition) strengthened the sense of professional capability.
- **Relatedness:** the unifying goal—creating an educational product of nationwide significance—

reinforced the experience of community and participation in an important endeavor.

Finally, the choice of management methodology substantially affects the probability of success. As shown

in Fig. 3, agile approaches, by their nature enhancing team autonomy and encouraging close interaction, demonstrate significantly higher performance indicators compared with the traditional waterfall model [2].

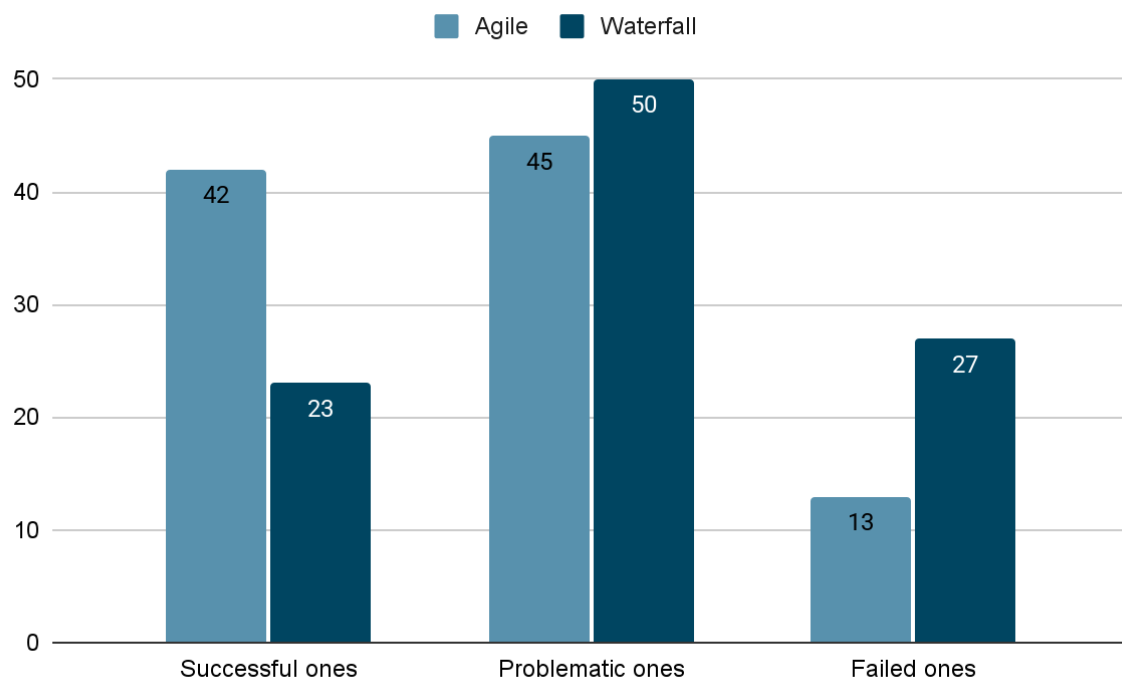


Fig. 3. Comparison of success rates of Agile and Waterfall projects (compiled by the author based on [3, 4, 7, 14, 15]).

Ignoring the psychological dimension of project management inevitably generates substantial impediments and vulnerabilities. Among them are overt and covert resistance to transformations [23], the development of burnout syndrome, intensification of social isolation and the erosion of work–life boundaries in remote interaction modes [24], as well as a direct decline in performance arising from insufficient support for team motivation [25].

A predictive lens, constructed on the basis of Gartner analytics for 2024–2025, points to the inevitable strengthening of the human factor, but in a different frame — human–algorithm cooperation [13]. The

evolution of artificial intelligence and automation platforms implies significant workload offloading: the procedural and administrative functions of the project manager (schedule planning, report consolidation, resource monitoring) will be largely delegated to digital systems [5]. This does not reduce the importance of the manager; on the contrary, the emphasis shifts to domains of complex, essentially human competencies. According to PMI, in the age of AI the most effective leaders will be those who combine technological literacy with well-developed emotional intelligence [5]. In this context, the set of key power skills (see Fig. 4) ceases to be peripheral and forms the core of professional competence.

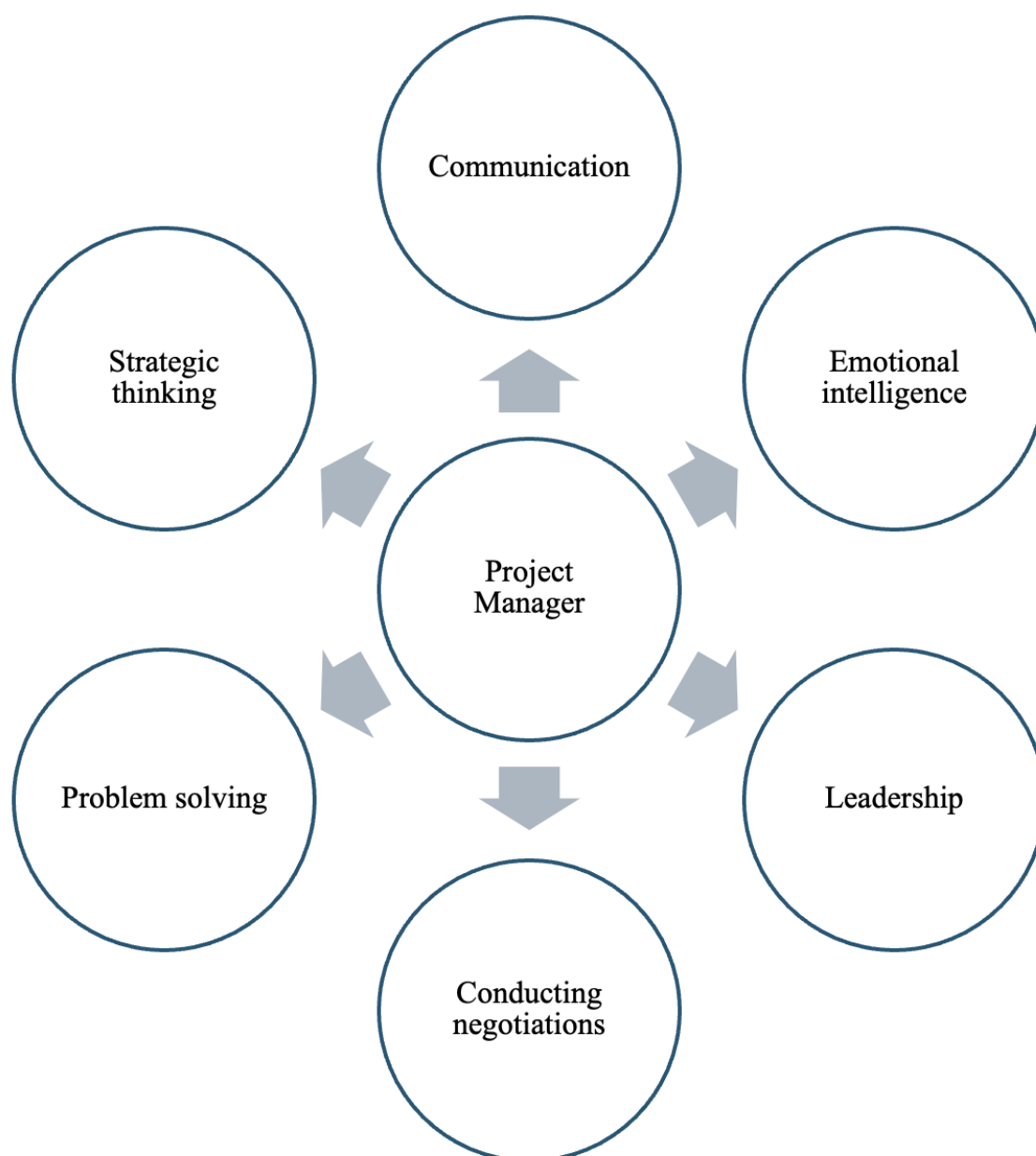


Fig. 4. Key "Power skills" for project managers in the age of AI (compiled by the author based on [16, 18, 19]).

The cumulative vector of the designated trends — PMI's recognition of value-oriented logic, Standish Group evidence of the predominance of human factors among the causes of failures, and Gartner forecasts regarding increasing automation — indicates a qualitative restructuring of the project manager's role. As technologies take over answers to the questions what and when, the human sphere of responsibility shifts toward who and why. The central function becomes not the administration of procedures, but the formation and maintenance of a psychological context that unlocks the team's potential. In this configuration, the project manager transforms from an engineer-planner into the de facto chief psychologist of the team. The core of their

competencies comprises applied psychology, facilitation, coaching, and relationship building. Accordingly, organizational practices for the selection, training, and performance evaluation of project managers must undergo fundamental changes.

Conclusion

The conducted research makes it possible to articulate a set of principal conclusions with both theoretical and applied value. A comparison of contemporary approaches in organizational psychology with current project management practices leads to a clear conviction: psychological determinants are not peripheral soft components but hard factors of project performance in

the modern economy. A stable relationship is established: a relational leadership style, oriented toward trust and the quality of interpersonal interactions, acts as a key catalyst for the formation of an environment of psychological safety and high team cohesion. Such an environment, in turn, serves as a support for innovativeness, constructive problem solving, and, as a consequence, the attainment of both objective (adherence to schedule and budget) and subjective (perceived value) project targets.

This thereby confirms attainment of the stated objective: an integrative model has been developed and theoretically substantiated that links psychological constructs to project outcomes. The author's hypothesis regarding the central role of relational leadership received support based on the analysis of scholarly literature and practical cases.

The practical significance of the work consists in providing heads of project management offices, project managers, and human resource professionals with a well-argued, scientifically validated basis for revising current managerial practices. It is recommended:

- Reorient training programs for project managers with an emphasis on developing relational competencies, emotional intelligence, and facilitation skills.
- Include metrics of the psychological climate (in particular, surveys on the level of psychological safety) in the project monitoring system on a par with traditional KPIs.
- Adjust selection criteria for managerial roles in projects, taking into account candidates' ability to build relationships and motivate teams.

As priority directions for further research, the need is identified for the empirical validation of the proposed model on large-scale cross-industry samples. Of particular interest is the analysis of the moderating role of organizational and national culture in the relationship between leadership style and team effectiveness, as well as the study of the influence of hybrid work formats on the psychological dynamics of project teams.

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